

GROUP 1 AUTOMOTIVE®



Integrity



Transparency



Professionalism



Teamwork

C.L. King & Associates
14th Annual Best Ideas Conference
September 13, 2016

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which are statements related to future, not past, events and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. In this context, the forward-looking statements often include statements regarding our goals, plans, projections and guidance regarding our financial position, results of operations, market position, pending and potential future acquisitions and business strategy, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should," "foresee," "may" or "will" and similar expressions. Any such forward-looking statements are not assurances of future performance and involve risks and uncertainties that may cause actual results to differ materially from those set forth in the statements. These risks and uncertainties include, among other things, (a) general economic and business conditions, (b) the level of manufacturer incentives, (c) the future regulatory environment, (d) our ability to obtain an inventory of desirable new and used vehicles, (e) our relationship with our automobile manufacturers and the willingness of manufacturers to approve future acquisitions, (f) our cost of financing and the availability of credit for consumers, (g) our ability to complete acquisitions and dispositions and the risks associated therewith, (h) foreign exchange controls and currency fluctuations, and (i) our ability to retain key personnel. For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Our reconciliation of non-GAAP financial measures to comparable GAAP measures can be found in the Appendix to this presentation. These non-GAAP measures should not be considered an alternative to GAAP financial measures. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.



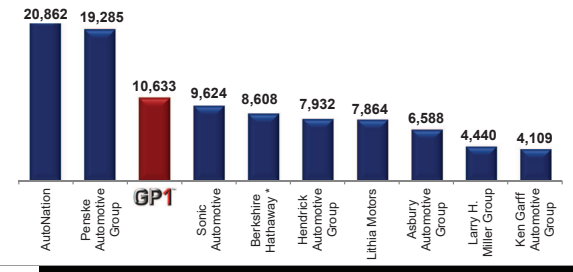
Company Overview

What Sets Group 1 Apart?

- International, Fortune 500 company with Market Cap of \$1.0 Billion (period ended June 30, 2016)
- Third largest dealership group in the U.S. retailing approximately 300,000 new and used vehicles annually
- Committed management team with more than 100 years of automotive retailing and OEM experience
- Unlike most other automotive retailers, Group 1 has no major controlling shareholder or owner
- Well positioned for growth
- From 2Q11 to 2Q16, compound annual growth rate (CAGR) has increased 15.5% for earnings per share (EPS) and 16.0% adjusted earnings per share (adjusted EPS)

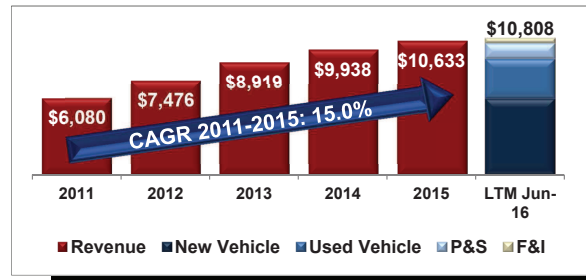


Top 10 U.S. auto retailers by revenue (\$mm, FY 2015)



Source: Automotive News
* 2014 revenues, as 2015 was not disclosed

Revenue (\$mm)



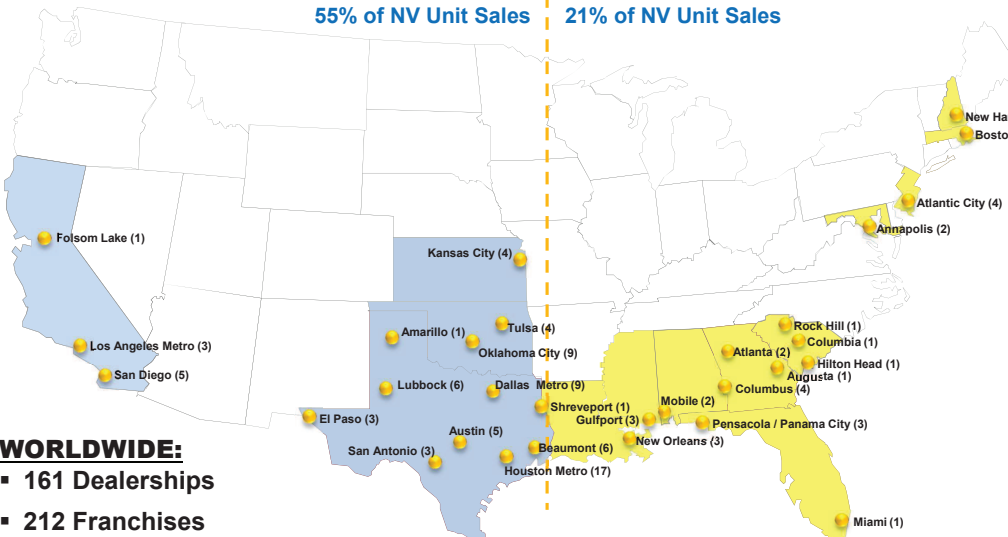
Geographic Footprint

UNITED STATES – 14 States

114 Dealerships

WEST REGION
55% of NV Unit Sales

EAST REGION
21% of NV Unit Sales



WORLDWIDE:

- 161 Dealerships
- 212 Franchises
- 37 Collision Centers
- 33 Brands

Note: Locations as of July 28, 2016

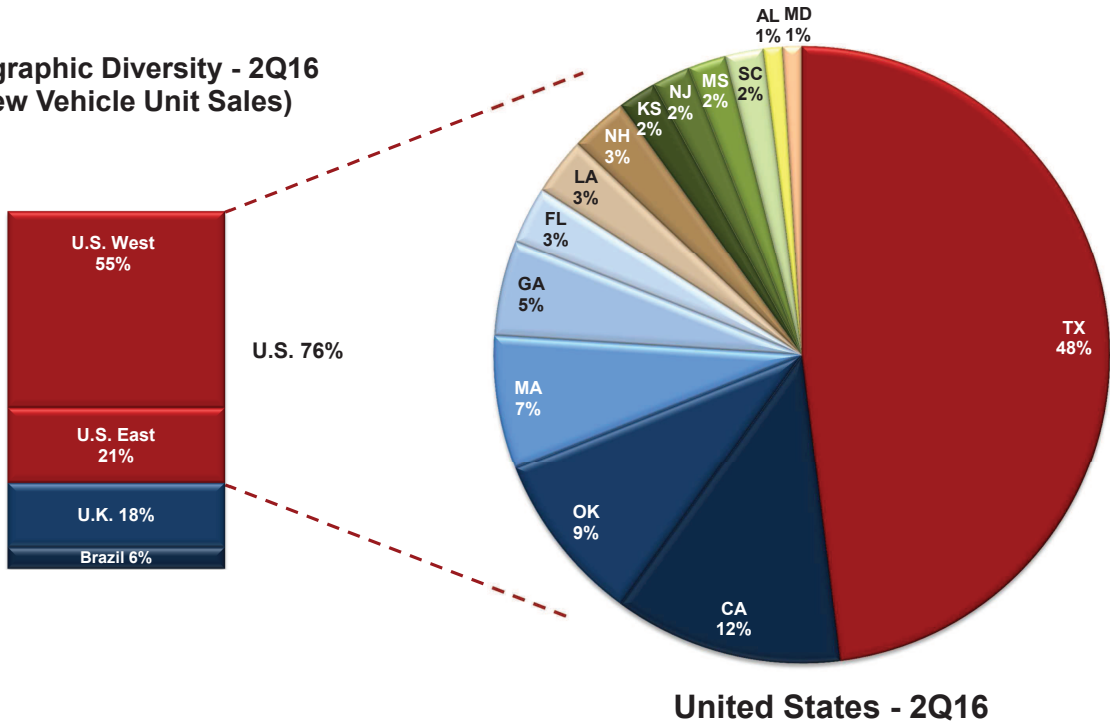
U.K.
England:
29 Dealerships
18% of NV Unit Sales



BRAZIL
Mato Grosso do Sul, Paraná, São Paulo, and Santa Catarina
18 Dealerships
6% of NV Unit Sales

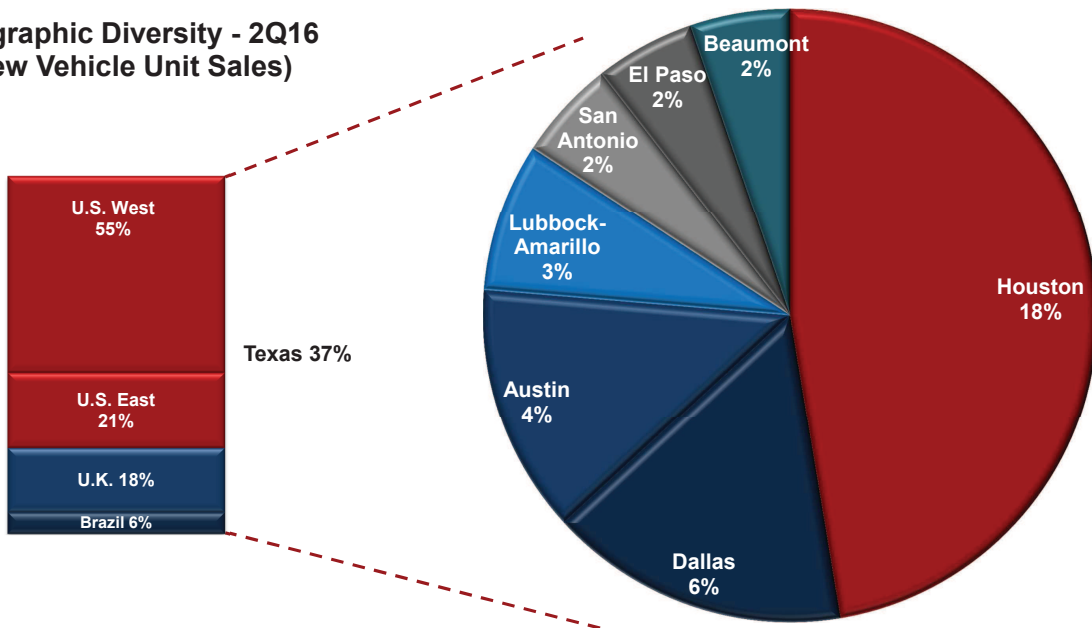


Geographic Diversity - 2Q16
(New Vehicle Unit Sales)



Geographic Diversity - Texas

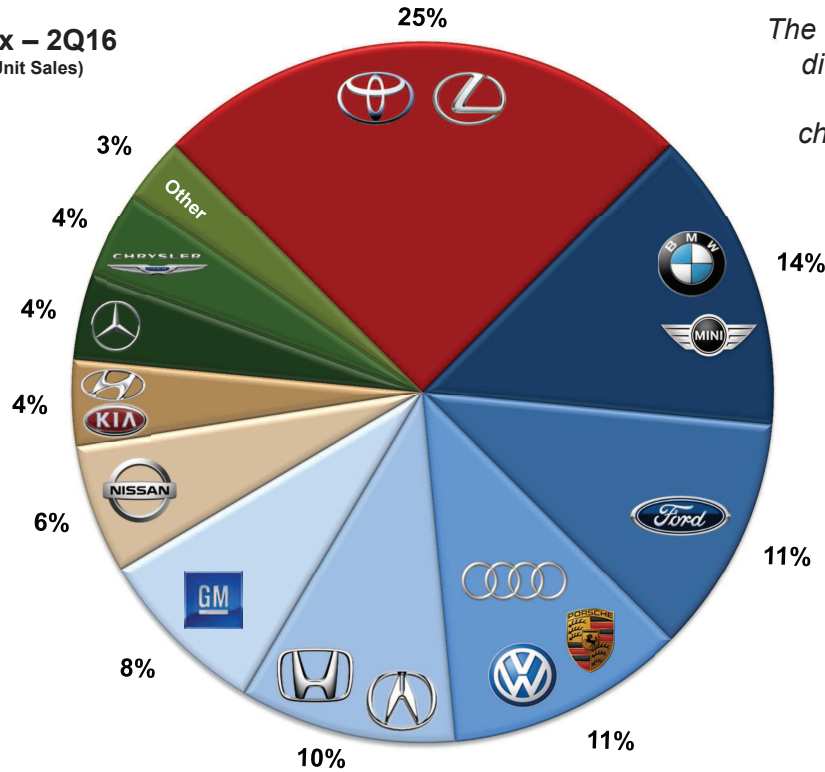
Geographic Diversity - 2Q16
(New Vehicle Unit Sales)



- 2Q16 Texas New Vehicle Unit Sales were down 9.4% on a Same Store basis

Well-Balanced Brand Portfolio

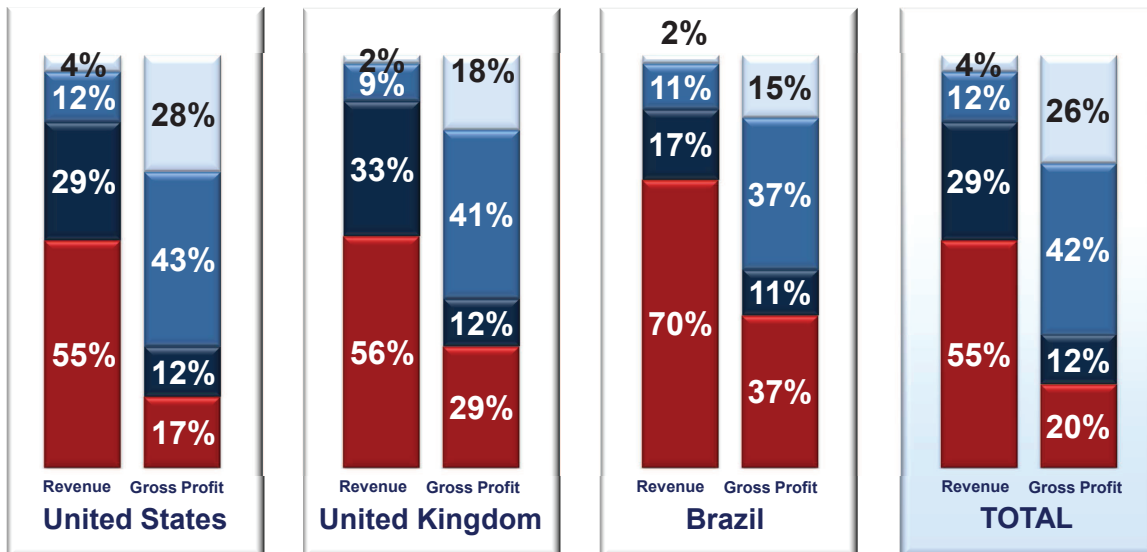
Brand Mix – 2Q16
(New Vehicle Unit Sales)



The Company's brand diversity allows it to reduce the risk of changing consumer preferences

Business Mix Comp – 2Q16

2Q16 Revenue & Gross Profit

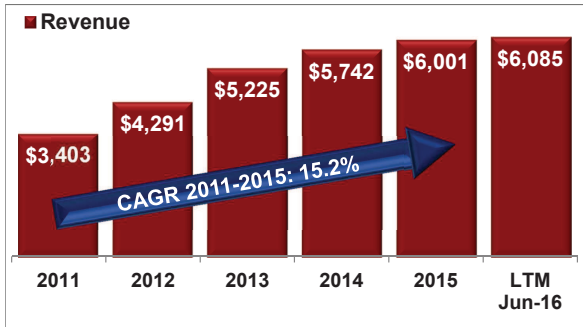


■ New Vehicles ■ Used Vehicles ■ Parts & Service ■ Finance & Insurance

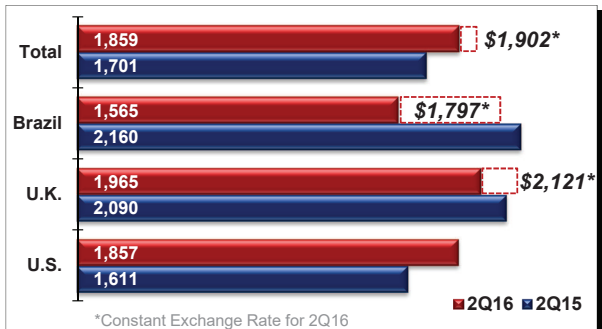
Total Company Parts & Service Gross Profit Covers 90-95% of Total Company Fixed Costs and Parts & Service Selling Expenses

New Vehicles Overview

New vehicle revenue (\$mm)



New vehicle gross profit per retail unit

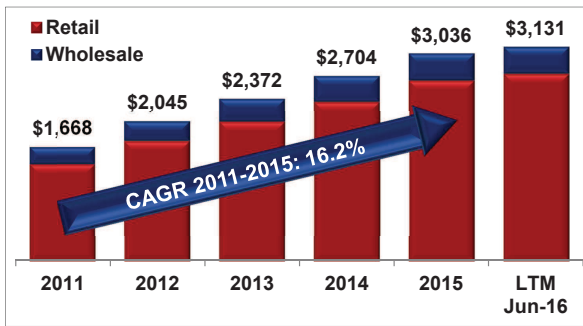


	For the year ended December 31,					LTM
	2011	2012	2013	2014	2015	6/30/2016
Revenue	\$3,403	\$4,291	\$5,225	\$5,742	\$6,001	\$6,085
Gross profit	\$210	\$247	\$290	\$311	\$305	\$312
New vehicles (units)	102,022	128,550	155,866	166,896	174,614	175,035
Average price per retail unit	\$33,352	\$33,381	\$33,522	\$34,402	\$34,369	\$34,764
Average gross profit per retail unit	\$2,062	\$1,925	\$1,860	\$1,865	\$1,749	\$1,785
Same store unit growth	0.9%	16.4%	4.6%	1.8%	2.9%	-5.3% ¹

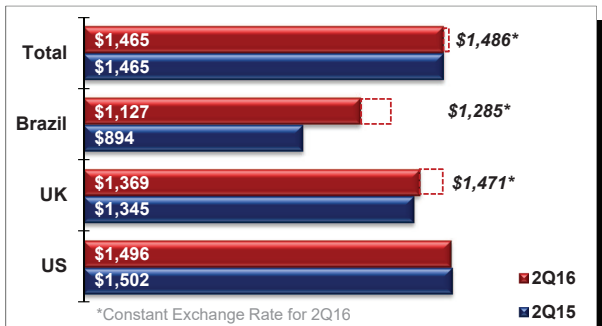
¹ Same store unit growth is for YTD 2016

Used Vehicles Overview

Used vehicle revenue (\$mm)



Retail used vehicle gross profit per retail unit

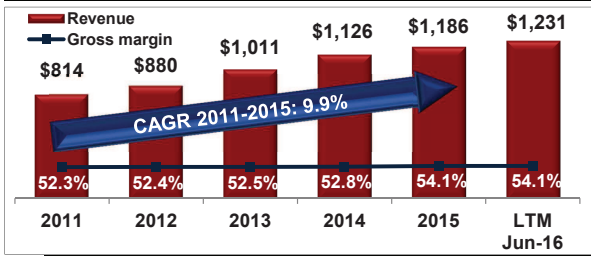


	For the year ended December 31,					LTM
	2011	2012	2013	2014	2015	6/30/2016
Retail used vehicles (units)	70,475	85,366	98,813	109,873	124,153	128,473
Average price per used retail vehicle	\$20,100	\$20,581	\$20,639	\$21,160	\$21,256	\$21,307
Average gross profit per used retail vehicle	\$1,767	\$1,710	\$1,628	\$1,579	\$1,446	\$1,438
Average gross profit per used wholesale vehicle	\$113	\$56	(\$4)	\$42	(\$34)	(\$40)
Used vehicle gross profit (\$mm)	\$129	\$149	\$161	\$174	\$178	\$182
Retail same store unit growth	3.4%	12.9%	4.7%	3.9%	9.5%	4.0% ¹

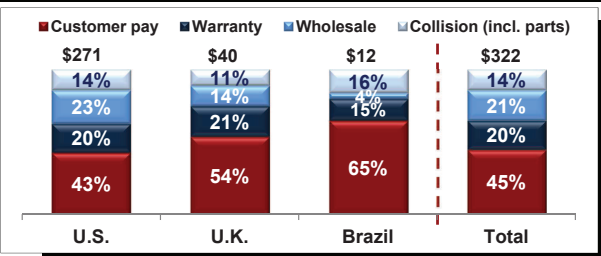
¹ Same store unit growth is for YTD 2016

Parts & Service Overview

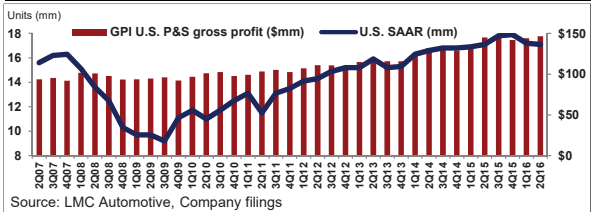
P&S revenue and gross margin (\$mm)



2Q16 P&S revenue (\$mm)



Group 1 U.S. parts and service gross profit vs. U.S. SAAR



Same store revenue growth*

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Customer Pay	0.3%	4.7%	3.0%	3.1%	5.6%	5.2%
Warranty	16.1%	13.3%	10.4%	7.0%	8.8%	4.3%
Wholesale	3.1%	6.2%	6.0%	4.9%	7.0%	4.8%
Collision (incl. parts)	11.1%	17.0%	12.1%	8.8%	11.3%	1.9%
% Growth	5.2%	8.2%	6.3%	5.1%	7.3%	4.5%

*In local currency, as reported

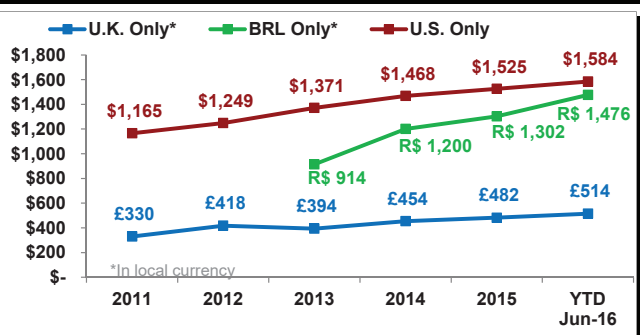
- Parts & service segment provides a stable base of free cash flow through economic cycles
- Using Customer Management Software (CMS) and technology to improve efficiencies and closing rates
- Enhancing customer touch points to improve retention / attacking points of defection
- Leveraging scale
- Improving collision business
- Strategic emphasis on customer service is driving growth above sector average in this important segment
- Focused on adding human capacity—since 2Q15, the Company's same store, net technician headcount has grown +6.2% in the U.S.

Finance & Insurance Overview

F&I revenue (\$mm)



F&I gross profit per retail unit (\$)*



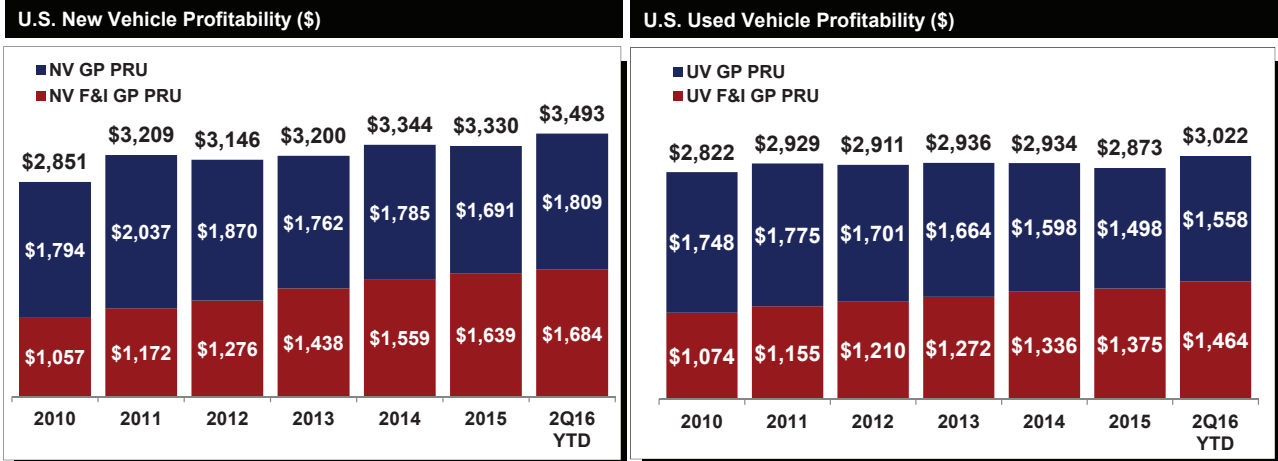
F&I profitability growth accomplished via focus on people and processes:

- Consolidation of lender base
- Consumer financing at pre-recession availability and with sub-prime financing improving
- Integrating compliance, training and benchmarking to offer a consistent and transparent experience for internal and external customers
- Proactively addressed CFPB concerns with rollout of NADA's Fair Credit Compliance Policy & Program in 2Q14, which enhances automotive lending practices

F&I Penetration Rates (Actual)

	FY2012	FY2013	FY2014	FY2015	2016 YTD			
					Consol.	US	UK	Brazil
Finance	71%	69%	67%	67%	67%	74%	45%	28%
VSC	37%	34%	34%	32%	32%	40%	3%	0%
Gap Ins.	22%	22%	24%	27%	29%	30%	30%	0%
Maintenance	8%	8%	9%	10%	11%	14%	0%	0%
Sealant	14%	15%	18%	21%	21%	20%	32%	0%
Gross Profit PRU	\$ 1,215	\$ 1,223	\$ 1,324	\$ 1,368	\$ 1,383	\$ 1,584	\$ 736	\$ 402

Total U.S. Vehicle Profitability



Financial Overview

Consolidated Financial Results

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Financial Results - Consolidated (\$ in millions, except per share amounts)

	Three Months Ended				Six Months Ended			
	6/30/2016	6/30/2015	Change	L.C. ²	6/30/2016	6/30/2015	Change	L.C. ²
Revenues	\$2,782.4	\$2,726.5	2.1%	3.8%	\$ 5,390.8	\$5,159.3	4.5%	6.5%
Gross Profit	\$ 410.1	\$ 391.6	4.7%	6.1%	\$ 799.2	\$ 755.5	5.8%	7.3%
SG&A as a % of Gross Profit	72.9%	71.7%	120		74.2%	73.1%	110	
Adj. SG&A as a % of Gross Profit ⁽¹⁾	72.2%	71.4%	80		73.4%	72.9%	50	
Operating Margin	3.5%	3.6%	(10)		3.3%	3.5%	(20)	
Adjusted Operating Margin ⁽¹⁾	3.6%	3.7%	(10)		3.5%	3.5%	-	
EBITDA	\$ 98.5	\$ 100.0	\$ (1.5)		\$ 182.0	\$ 183.0	\$ (1.0)	
Adjusted EBITDA ⁽¹⁾	\$ 102.5	\$ 102.1	\$ 0.4		\$ 189.6	\$ 185.2	\$ 4.4	
Total Interest Expense	\$ 28.3	\$ 24.2	\$ 4.1		\$ 56.2	\$ 47.5	\$ 8.7	
Net Income	\$ 46.6	\$ 46.3	0.6%		\$ 80.9	\$ 82.1	-1.5%	
Adjusted Net Income ⁽¹⁾	\$ 47.4	\$ 47.9	-1.1%		\$ 84.5	\$ 83.7	0.9%	
Diluted EPCS	\$ 2.12	\$ 1.91	11.0%		\$ 3.57	\$ 3.38	5.6%	
Adjusted Diluted EPCS ⁽¹⁾	\$ 2.16	\$ 1.98	9.1%		\$ 3.73	\$ 3.44	8.4%	

(1) See appendix for GAAP reconciliation
(2) Local currency basis

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Financial Results by Segment

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Financial Results - U.S. (\$ in millions)

	Three Months Ended			Six Months Ended		
	6/30/2016	6/30/2015	Change	6/30/2016	6/30/2015	Change
Revenues	\$2,207.4	\$2,287.4	-3.5%	\$ 4,289.0	\$4,285.9	0.1%
Gross Profit	\$ 344.6	\$ 342.2	0.7%	\$ 677.3	\$ 656.7	3.1%
SG&A as a % of Gross Profit	71.2%	70.1%	110	72.5%	71.5%	100
Adj. SG&A as a % of Gross Profit ⁽¹⁾	70.3%	69.8%	50	71.8%	71.4%	40
Operating Margin	4.0%	4.0%	-	3.8%	3.9%	(10)
Adjusted Operating Margin ⁽¹⁾	4.1%	4.1%	-	4.0%	3.9%	10
Total Interest Expense	\$ 25.8	\$ 22.0	\$ 3.8	\$ 51.3	\$ 43.3	\$ 8.0
Pretax Margin	2.8%	3.0%	(20)	2.6%	2.9%	(30)
Adjusted Pretax Margin ⁽¹⁾	3.0%	3.1%	(10)	2.8%	2.9%	(10)

(1) See appendix for GAAP reconciliation

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Financial Results by Segment

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Financial Results - U.K. (\$ in millions)

	Three Months Ended				Six Months Ended			
	6/30/2016	6/30/2015	Change	L.C. ²	6/30/2016	6/30/2015	Change	L.C. ²
Revenues	\$ 467.8	\$ 308.2	51.8%	62.1%	\$ 899.7	\$ 607.7	48.0%	57.3%
Gross Profit	\$ 54.3	\$ 33.9	60.2%	71.5%	\$ 101.1	\$ 68.1	48.5%	57.9%
SG&A as a % of Gross Profit	77.5%	78.5%	(100)		78.7%	78.4%	30	
Adj. SG&A as a % of Gross Profit ⁽¹⁾	77.5%	77.9%	(40)		78.1%	78.1%	-	
Operating Margin	2.2%	2.0%	20		2.0%	2.1%	(10)	
Adjusted Operating Margin ⁽¹⁾	2.2%	2.1%	10		2.1%	2.1%	-	
Total Interest Expense	\$ 2.5	\$ 1.4	\$ 1.1		\$ 4.7	\$ 2.6	\$ 2.1	
Pretax Margin	1.7%	1.6%	10		1.5%	1.6%	(10)	
Adjusted Pretax Margin ⁽¹⁾	1.7%	1.6%	10		1.6%	1.7%	(10)	

Financial Results - Brazil (\$ in millions)

	Three Months Ended				Six Months Ended			
	6/30/2016	6/30/2015	Change	L.C. ²	6/30/2016	6/30/2015	Change	L.C. ²
Revenues	\$ 107.3	\$ 130.9	-18.0%	-6.5%	\$ 202.1	\$ 265.7	-23.9%	-5.3%
Gross Profit	\$ 11.2	\$ 15.5	-27.6%	-17.4%	\$ 20.8	\$ 30.7	-32.1%	-15.5%
SG&A as a % of Gross Profit	102.9%	90.9%	1,200		105.2%	93.8%	1,140	
Adj. SG&A as a % of Gross Profit ⁽¹⁾	102.9%	90.9%	1,200		103.4%	93.8%	960	
Operating Margin	-0.6%	0.3%	(90)		-1.0%	0.1%	(110)	
Adjusted Operating Margin ⁽¹⁾	-0.6%	0.7%	(130)		-0.6%	0.3%	(90)	
Total Interest Expense	\$ -	\$ 0.8	\$ (0.8)		\$ 0.2	\$ 1.6	\$ (1.4)	
Pretax Margin	-0.6%	-0.4%	(20)		-1.1%	-0.5%	(60)	
Adjusted Pretax Margin ⁽¹⁾	-0.6%	0.0%	(60)		-0.7%	-0.3%	(40)	

(1) See appendix for GAAP reconciliation
(2) Local currency basis

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Same Store Financial Results

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Same Store Financial Results - Consolidated (\$ in thousands)

	Three Months Ended				Six Months Ended			
	6/30/2016	6/30/2015	Change	L.C. ¹	6/30/2016	6/30/2015	Change	L.C. ¹
Revenues:								
New vehicle retail	\$ 1,419,708	\$ 1,497,389	(5.2)%	(3.8)%	\$ 2,715,616	\$ 2,807,442	(3.3)%	(1.4)%
Used vehicle retail	672,138	668,999	0.5%	1.7%	1,321,197	1,280,904	3.1%	4.8%
Used vehicle wholesale	86,496	98,510	(12.2)%	(10.4)%	176,949	196,347	(9.9)%	(8.1)%
Total used	\$ 758,634	\$ 767,509	(1.2)%	0.2%	\$ 1,498,146	\$ 1,477,251	1.4%	3.1%
Parts and service	303,586	293,847	3.3%	4.5%	594,585	569,861	4.3%	5.8%
Finance and insurance	102,566	103,621	(1.0)%	(0.4)%	198,183	197,182	0.5%	1.3%
Total	\$ 2,584,494	\$ 2,662,366	(2.9)%	(1.6)%	\$ 5,006,530	\$ 5,051,736	(0.9)%	0.8%
Gross Profit	\$ 385,531	\$ 382,174	0.9%	2.0%	\$ 752,920	\$ 740,024	1.7%	3.1%

¹ Local currency basis

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Diluted Common Share Count

FY14: In 2Q14, GPI repurchased 80% of its 3% Convertible Notes, reducing share count by approximately 1.9 million. In 3Q14, GPI repurchased the remaining 3% Convertible Notes and extinguished all of the 2.25% Convertible Notes, reducing share count by approximately 800 thousand.

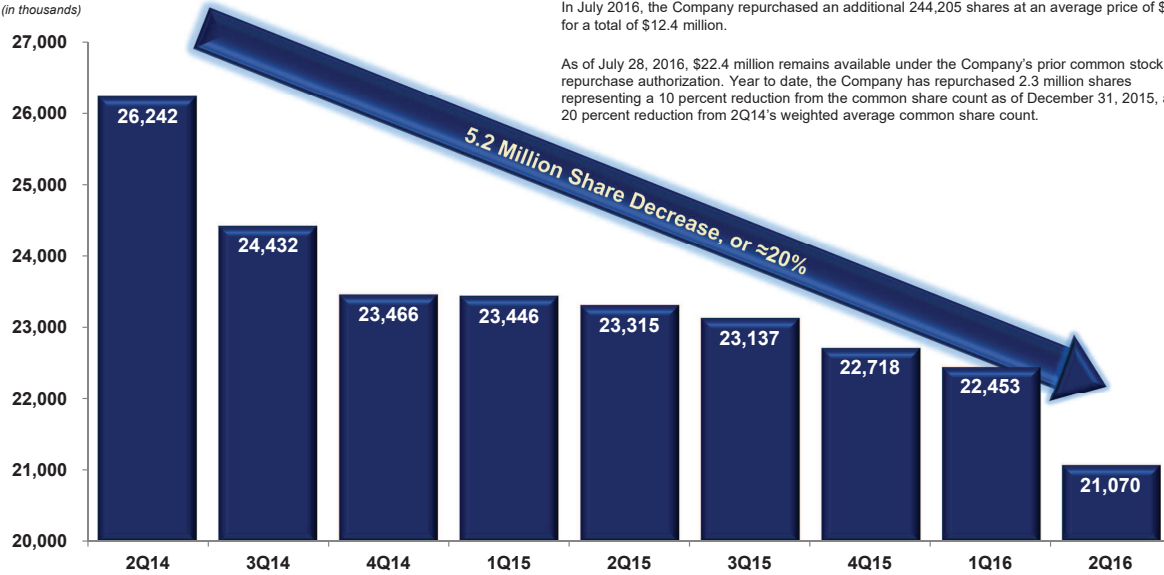
FY15: GPI repurchased approximately 1.2 million shares.

1Q16: The Company's Board of Directors increased the common stock share repurchase authorization to \$150 million from \$78.2 million, which was the remaining availability as of December 31, 2015. During the quarter, GPI repurchased 576,230 shares at an average price of \$55.44 for a total of \$31.9 million.

2Q16: GPI repurchased 1,462,144 shares at an average price of \$56.97 for a total of \$83.3 million. In July 2016, the Company repurchased an additional 244,205 shares at an average price of \$50.61 for a total of \$12.4 million.

As of July 28, 2016, \$22.4 million remains available under the Company's prior common stock share repurchase authorization. Year to date, the Company has repurchased 2.3 million shares representing a 10 percent reduction from the common share count as of December 31, 2015, and a 20 percent reduction from 2Q14's weighted average common share count.

GPI Weighted Average
Common Shares
(in thousands)



Balance Sheet

Summary Balance Sheet

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Summary Balance Sheet

\$ in thousands

	As of 6/30/2016	As of 12/31/2015
Cash and cash equivalents ⁽¹⁾	\$ 24,965	\$ 13,037
Contracts In Transit and vehicle receivables, net	\$ 212,304	\$ 252,438
Inventories, net	\$ 1,784,114	\$ 1,737,751
Total current assets	\$ 2,201,957	\$ 2,188,370
Total assets	\$ 4,500,800	\$ 4,396,716
Floorplan notes payable	\$ 1,636,515	\$ 1,654,790
Offset account related to credit facility ⁽¹⁾	\$ (62,961)	\$ (136,259)
Other current liabilities	\$ 538,321	\$ 520,738
Total current liabilities	\$ 2,111,874	\$ 2,039,268
Long-Term Debt, net of current maturities	\$ 1,250,940	\$ 1,199,534
Total stockholder's equity	\$ 867,552	\$ 918,252

(1) Available cash of \$88.0 million is total of cash and cash equivalents plus the U.S. offset account related to floorplan credit facilities. The U.S. offset account is amount of excess cash that is used to paydown floorplan credit facilities but can be immediately redrawn against inventory.

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Debt Maturity

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Debt Maturity Slide

<i>(in millions)</i>	Maturity Date	As of June 30, 2016		Funding Capacity
		Actual	Available Liquidity	
Cash and cash equivalents		\$ 25.0	\$ 25.0	
Short-Term Debt				
Inventory Financing ⁽¹⁾	2021	\$ 1,357.1	\$ 63.0	\$ 1,740.0
Other Vehicles Financing ⁽²⁾		216.5		
Current Maturities - Long-Term Debt		43.0		
		<u>\$ 1,616.6</u>	<u>\$ 63.0</u>	<u>\$ 1,740.0</u>
Available Cash			<u>\$ 88.0</u> ⁽⁴⁾	
Long-Term Debt				
Acquisition Line of Credit ^(1,3)	2021	10.0	252.3	360.0
5.00% Senior Unsecured Notes (Face: \$550.0 Million)	2022	539.7		
5.25% Senior Unsecured Notes (Face: \$300.0 Million)	2023	295.3		
Real Estate	2017 - 2034	397.0		
Other	2017	8.9		
Total Long-Term Debt		<u>\$ 1,250.9</u>		
Total Debt		<u>\$ 2,867.5</u>		
			<u>\$ 340.3</u>	<u>\$ 2,100.0</u>

- The capacity under the floorplan and acquisition tranches of our credit facility can be redesignated within the overall \$1.8 billion commitment. Further, the borrowings under the acquisition tranche may be limited from time to time based upon certain debt covenants.
- Borrowings with manufacturer affiliates for rental vehicle financing and foreign inventories not associated with any of the Company's domestic credit facilities.
- The available liquidity balance at June 30, 2016 considers the \$37.1 million of letters of credit outstanding.
- Available cash of \$88.0 million is total of cash and cash equivalents plus the U.S. offset account related to floorplan credit facilities. The U.S. offset account is amount of excess cash that is used to paydown floorplan credit facilities but can be immediately redrawn against inventory.

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Growth Outlook

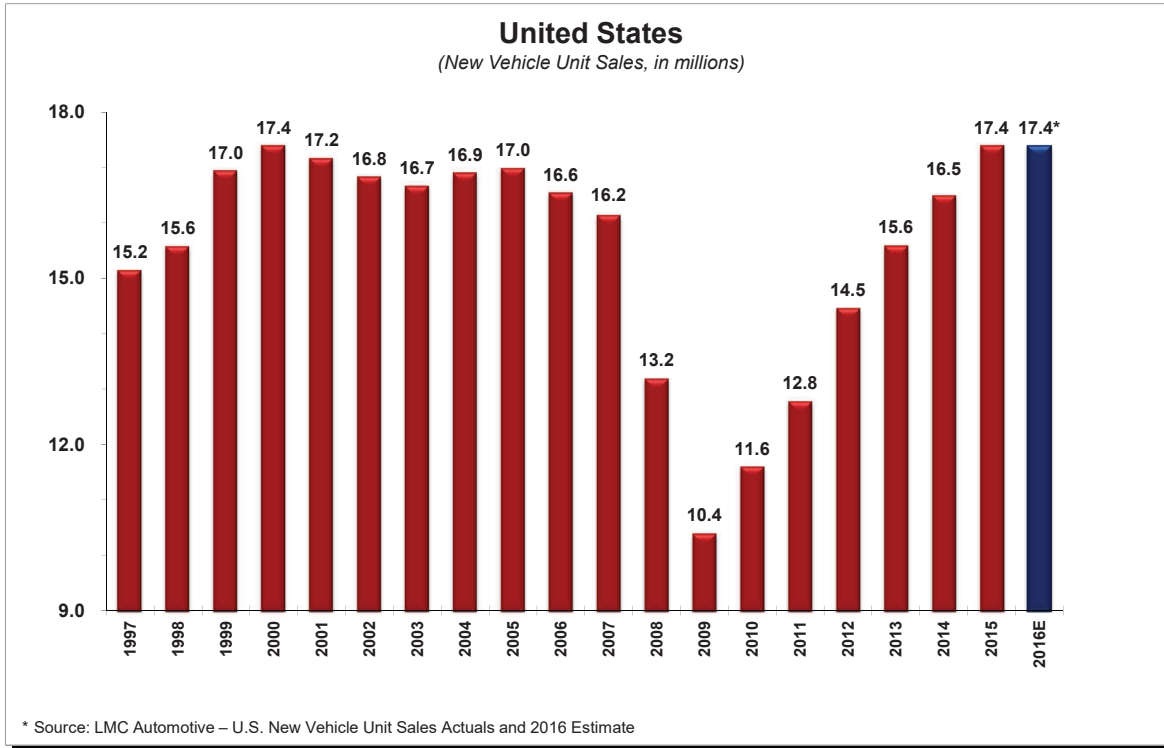
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Factors Driving U.S. Auto Sales

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- **Age of car park exceeds 11 years – above trend**
- **Financing is back to pre-recession levels**
 - Aggressive loan to value; approval rates for prime and near prime customers rising
- **Used vehicle prices remain robust**
 - Helps consumers in terms of trade-in values; allows for more aggressive leasing
- **Number of licensed drivers is on the rise**
- **Lower oil prices are helping consumer discretionary income**

Pent-up demand driving purchase decisions



Cash Prioritization

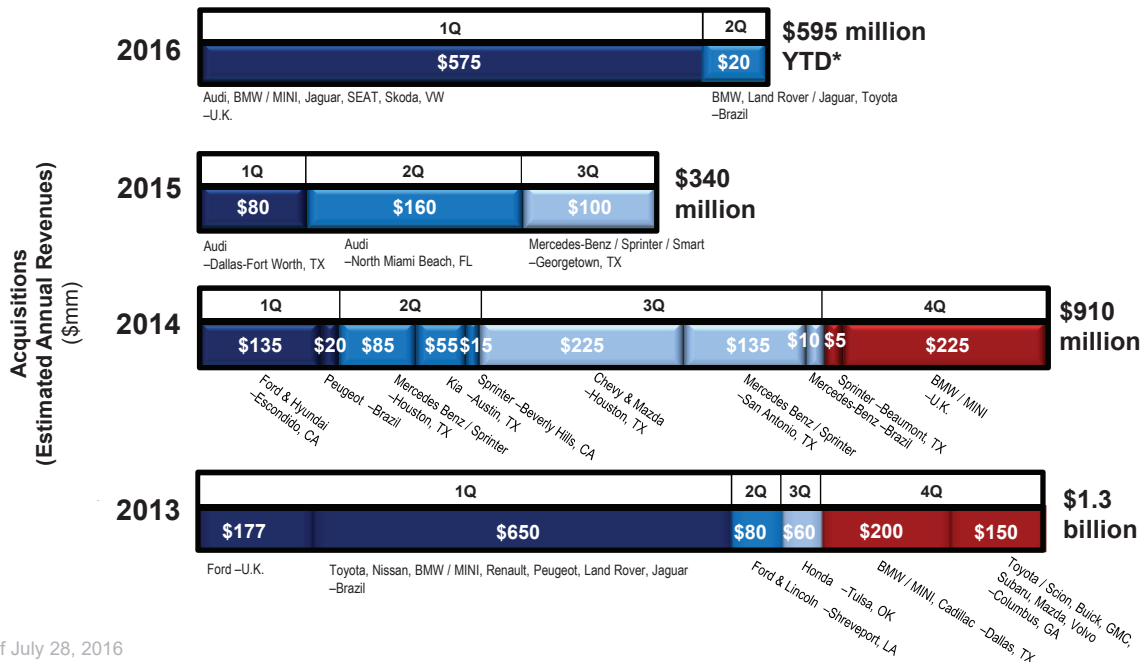
- **Return cash to stockholders**
 - **Quarterly Cash Dividend**
 - \$0.23 per share
 - **YTD 2016 Share Repurchases:**
 - 2,282,579 shares at average price of \$55.90
 - **Repurchase Authorization:**
 - As of July 28, 2016, \$22.4 million remains under Board authorization of \$150.0 million

- **Acquisitions that clear return hurdles**
 - **10%-15% after-tax discounted cash flows**



Acquisition Strategy

- Group 1 is well positioned to take advantage of acquisition opportunities and grow scale in existing markets (U.S., U.K., and Brazil)
- The Company targets acquisitions that clear return hurdles (10% - 15% after tax discounted cash flow)

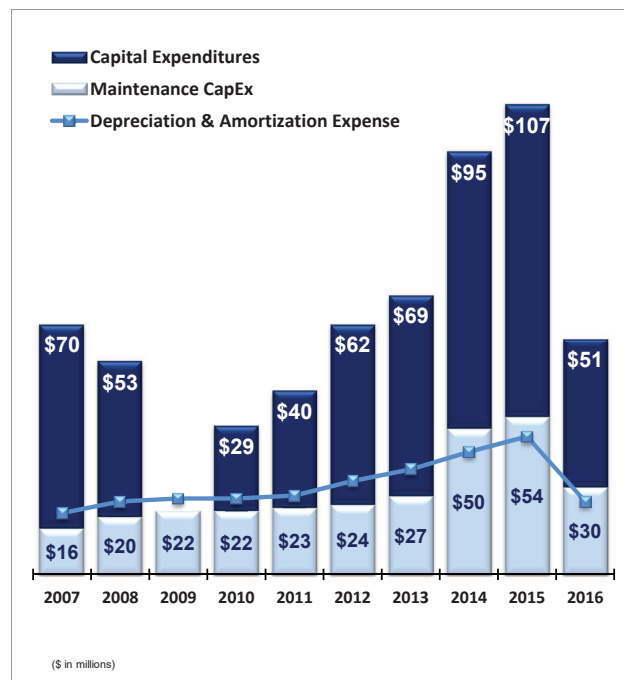


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Capital Expenditures

- 2015 CapEx of \$107 million
- 2016 CapEx projected to be less than \$135 million
 - Working with our manufacturer partners to limit spending



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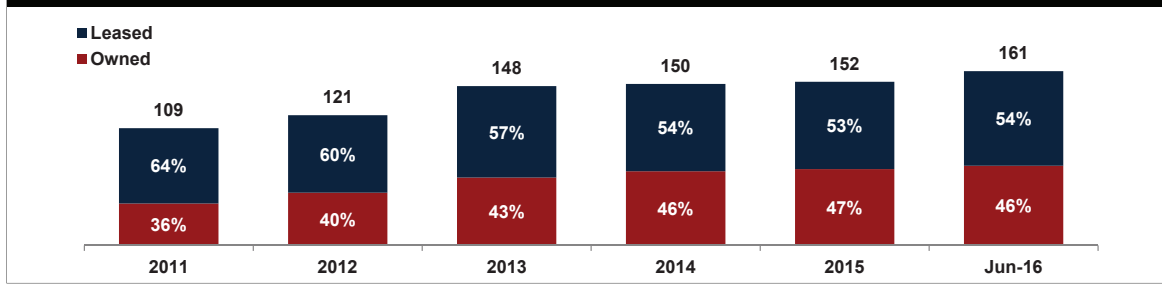
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- **GPI is shifting toward owning its real estate:**
 - Control of dealership real estate is a strong strategic asset
 - Ownership means better flexibility and lower cost
 - The Company looks for opportunistic real estate acquisitions in strategic locations
- As of June 30, 2016, the Company owns approximately \$825 million of real estate (46% of dealership locations) financed through approximately \$380 million of mortgage debt

Dealership property breakdown by region (as of June 30, 2016)

Geographic Location	Dealerships	
	Owned	Leased
United States	57	57
United Kingdom	15	14
Brazil	2	16
Total	74	87

Leased vs. Owned Properties



Conclusion

- Well-balanced portfolio (geography, business mix and brands)
- Profitability of different business units through the cycle
 - Model proved itself during recession
- Streamlined business -- generating cash
- Strong balance sheet
- Opportunistic capital allocation
- Operational growth and leverage
 - New vehicle sales growth in U.S.
 - Opportunity to drive growth in used vehicle and Parts & Service with process improvements in all markets
 - Finance & Insurance initiatives should drive further growth in the U.K. and Brazil
 - Continued leverage opportunities as gross profit increases
- Experienced, successful and driven management team

Core Values

Integrity	We conduct ourselves with the highest level of ethics both personally and professionally when we sell to and perform service for our customers without compromising our honesty
Transparency	We promote open and honest communication between each other and our customers
Professionalism	We set our standards high so that we can exceed expectations and strive for perfection in everything we do
Teamwork	We put the interest of the group first, before our individual interests, as we know that success only comes when we work together



Appendix

GROUP 1 AUTOMOTIVE®

Operating Management Team - Corporate

GROUP 1
AUTOMOTIVE®



Earl J. Hesterberg – President and Chief Executive Officer and Director

(April 2005)

- 35+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Ford of Europe; Gulf States Toyota; Nissan Motor Corporation in U.S.A.; Nissan Europe



John C. Rickel – Senior Vice President and Chief Financial Officer

(December 2005)

- 30+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Ford Europe



Frank Grese Jr. – Senior Vice President, Human Resources, Training and Operations Support

(December 2004)

- 40+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Nissan Motor Corporation in U.S.A.; AutoNation; Van Tuyl



Darryl M. Burman – Vice President and General Counsel

(December 2006)

- 20+ Years Industry Experience
- Automotive-related Experience: Mergers and Acquisitions; Corporate Finance; Employment and Securities Law – Epstein Becker Green Wickliff & Hall, P.C.; Fant & Burman, L.L.P.



Peter C. DeLongchamps – Vice President, Financial Services and Manufacturer Relations

(July 2004)

- 30+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: General Motors Corporation; BMW of North America; Advantage BMW in Houston



Michael Jones – Vice President, Fixed Operations

(April 2007)

- 40+ Years Industry Experience
- Automotive-related Experience: Fixed Operations - Asbury Automotive; David McDavid Automotive Group; Ryan Automotive Group

- Daryl Kenningham – Regional Vice President, West Region (July 2011)
 - > 25+ Years Industry Experience
 - > Manufacturer and Automotive Retailing Experience: Gulf States Toyota; Nissan Motor Corporation; Ascent Automotive

- David Fesmire – Regional Vice President, East Region (February 2005)
 - > 30+ Years Industry Experience
 - > Manufacturer and Automotive Retailing Experience: Van Tuyl; AutoNation; Dobbs Automotive; Nissan Motor Corporation

- Ian Twinley – Regional Vice President, United Kingdom (March 2007)
 - > 30+ Years Industry Experience
 - > Manufacturer and Automotive Retailing Experience: Chandlers Garage Holdings Ltd.; John Grose Group; Ford Motor Company

- Lincoln da Cunha Pereira Filho – Regional Vice President, Brazil; Director; Chairman, UAB Motors (February 2013)
 - > 15+ Years Industry Experience
 - > Automotive-Related Experience: UAB Motors Participacoes S.A.; Public Auto Group; Automotive Racing

Interest Rate Variability

	Actual	Variable %
Vehicle Financing	\$1,573.6	92.6%
Real Estate & Other Debt	\$458.9	41.4%
Senior Notes ⁽¹⁾	\$850.0	0.00%
<hr/>		
SWAPS ⁽²⁾	\$550.0	

⁽¹⁾ Face Value
⁽²⁾ SWAPS range from \$50-\$850 million through 2021, see slide 39 for more details

- **Primary exposure is short-term interest rate changes; key exposure is one-month LIBOR**
- **Group 1 has mitigated the majority of its risk exposure for rising interest rates through a combination of the swaps, fixed rate debt, and manufacturer floorplan assistance**
- **Manufacturer floorplan assistance offsets a portion of interest rate impact**
 - > As interest rates go up, typically manufactures offer additional interest assistance to offset the variance
 - > 84% of variable inventory financing is eligible for floorplan assistance as used vehicle; rental and some foreign financing are not eligible for floorplan assistance
 - > Interest assistance is recognized in new vehicle gross profit, not in interest expense

INTEREST RATE SWAP LAYERS

\$'s in millions

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Average Swap Balance	\$450	\$550	\$550	\$750	\$750	\$850	\$500	\$250
Interest Expense	\$11	\$13	-	-	-	-	-	-
Average Interest Rate	2.63%	2.57%	2.76%	2.62%	2.68%	2.33%	2.26%	1.76%

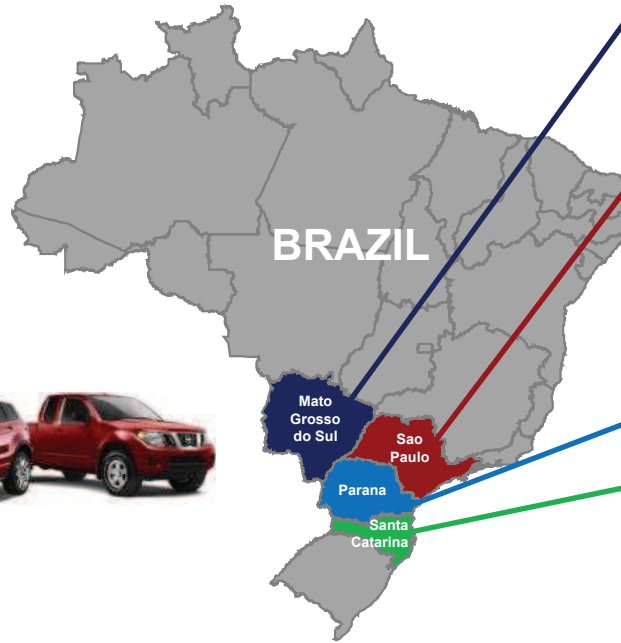


Brazil

Group 1 is aligned with growing brands in Brazil.

▪ 18 Dealerships (23 Franchises):

- BMW (5)
- Honda (4)
- Jaguar (3)
- Land Rover (3)
- Toyota (3)
- MINI (2)
- Nissan (2)
- Mercedes-Benz (1)



Mato Grosso do Sul Location

- Campo Grande



São Paulo Locations

- Santo Andre
- São Bernardo do Campo
- São Caetano do Sul
- São Jose dos Campos
- São Paulo
- Taubaté



Paraná Locations

- Cascavel
- Curitiba
- Londrina
- Maringá



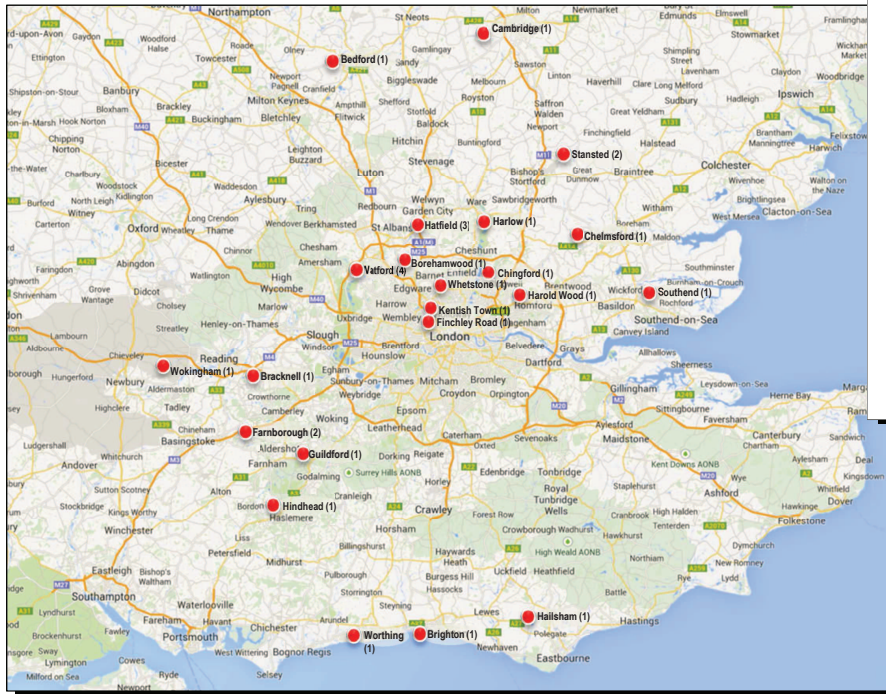
Santa Catarina Location

- Joinville



United Kingdom

UNITED KINGDOM – England 29 Dealerships (40 Franchises)



GROUP 1 AUTOMOTIVE®



Integrity • Transparency • Professionalism • Teamwork

Reconciliations

See following section for reconciliations of data denoted within this presentation

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures - Consolidated
(Unaudited, in millions)

EBITDA RECONCILIATION:

	Three Months Ended June 30, 2016		2015		Six Months Ended June 30, 2016		2015	
	\$	46.6	\$	46.3	\$	80.9	\$	82.1
Net (loss) income								
Other interest expense, net ⁽¹⁾		16.7		14.2		33.6		28.1
Depreciation and amortization expense		12.7		11.9		25.2		23.6
Non-cash asset impairment charges		1.0		1.0		2.0		1.0
Acquisition costs		-		-		0.6		-
Severance costs		-		0.2		-		0.2
Catastrophic events		2.8		1.0		5.4		1.0
Net loss (gain) on real estate and dealership transactions		0.3		(1.1)		(0.3)		(1.1)
Legal settlements		-		1.0		-		1.0
Income tax expense		22.5		27.5		42.3		49.1
Adjusted EBITDA ⁽²⁾	\$	102.5	\$	102.1	\$	189.6	\$	185.2

(1) Excludes Floorplan interest expense

(2) Adjusted EBITDA is defined as income (loss) plus loss on redemption of long-term debt, other interest expense, net, depreciation and amortization expense, non-cash asset impairment charges, acquisition costs, catastrophic events, net gain on real estate and dealership transactions, severance, deal costs, legal settlements, foreign transaction tax, and income tax expense (less income tax benefit). While Adjusted EBITDA should not be construed as a substitute for net income or as a better measure of liquidity than net cash provided by operating activities, which are determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"), it is included in our discussion of earnings to provide additional information regarding the amount of cash our business is generating with respect to our ability to meet future debt services, capital expenditures and working capital requirements. Adjusted EBITDA should not be used as an indicator of our operating performance. Consistent with industry practices, our management utilizes Adjusted EBITDA when valuing dealership operations. This measure may not be comparable to similarly titled measures reported by other companies. The table above shows the calculation of Adjusted EBITDA and reconciles Adjusted EBITDA to the GAAP measurement income (loss) for the periods presented in the table.

May not foot due to rounding

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures
(Unaudited, in thousands)

	Three Months Ended:										
	03.31.10	09.30.10	12.31.10	03.31.11	06.30.11	09.30.11	12.31.11	03.31.12	06.30.12	09.30.12	12.31.12
NET INCOME (LOSS) RECONCILIATION:											
As reported	\$ 7,981	\$ 12,769	\$ 18,985	\$ 10,569	\$ 15,362	\$ 24,683	\$ 21,494	\$ 20,855	\$ 23,117	\$ 28,625	\$ 31,335
After-tax Adjustments ⁽¹⁾ :											
Non-cash asset impairment charges	-	950	1,033	4,947	140	85	2,309	461	-	115	-
Mortgage debt refinancing charges	-	-	(761)	-	-	-	-	-	-	(659)	-
(Gain) loss on real estate and dealership transactions	-	3,698	-	-	-	-	-	-	-	-	(276)
(Gain) loss on repurchase of long-term debt	2,458	-	-	-	-	-	-	-	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	(810)	-	-	-	-	-	-	-
Catastrophic events	-	-	-	-	-	-	-	-	-	1,658	-
Severance costs	-	405	-	-	-	-	-	-	-	-	548
Acquisition costs including related tax impact	-	-	-	-	-	-	-	-	-	-	1,111
Valuation allowance for certain deferred tax assets	-	-	-	-	-	-	-	641	-	-	-
Legal settlements	-	-	-	-	-	-	-	-	-	-	-
Foreign transaction tax	-	-	-	-	-	-	-	-	-	-	-
Foreign deferred income tax benefit	-	-	-	-	-	-	-	-	-	-	-
Adjusted net income ⁽²⁾	\$ 10,439	\$ 17,822	\$ 19,257	\$ 14,706	\$ 15,502	\$ 24,768	\$ 23,803	\$ 21,957	\$ 23,117	\$ 29,739	\$ 31,335

ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:

Adjusted net income	\$ 10,439	\$ 17,822	\$ 19,257	\$ 14,706	\$ 15,502	\$ 24,768	\$ 23,803	\$ 21,957	\$ 23,117	\$ 29,739	\$ 31,335
Less: Adjusted earnings allocated to participating securities	597	1,000	1,203	785	918	1,424	1,392	1,182	1,165	1,637	1,641
Adjusted net income available to diluted common shares	\$ 9,842	\$ 16,822	\$ 18,054	\$ 13,921	\$ 14,584	\$ 23,344	\$ 22,411	\$ 20,775	\$ 21,952	\$ 28,102	\$ 29,694

DILUTED EARNINGS (LOSS) PER SHARE RECONCILIATION:

	Three Months Ended:											
	03.31.10	06.30.10	09.30.10	12.31.10	03.31.11	06.30.11	09.30.11	12.31.11	03.31.12	06.30.12	09.30.12	12.31.12
As reported	\$ 0.32	\$ 0.52	\$ 0.79	\$ 0.45	\$ 0.64	\$ 1.03	\$ 0.91	\$ 0.90	\$ 0.97	\$ 1.20	\$ 1.32	\$ 0.70
After-tax Adjustments:												
Non-cash asset impairment charges	-	0.04	0.04	0.21	-	-	0.10	0.02	-	0.01	-	0.18
Mortgage debt refinancing charges	-	-	-	-	-	-	-	-	-	-	-	-
(Gain) loss on real estate and dealership transactions	-	0.15	(0.03)	-	-	-	-	-	-	(0.03)	-	(0.01)
Income tax benefit related to tax elections for prior periods	0.11	-	-	(0.04)	-	-	-	-	-	-	-	-
Catastrophic events	-	-	-	-	-	-	-	-	-	0.07	-	0.05
Severance costs	-	0.02	-	-	-	-	-	-	-	-	-	0.02
Acquisition costs including related tax impact	-	-	-	-	-	-	-	-	-	-	-	0.05
Valuation allowance for certain deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	-	-	0.02	-	-	-	-
Foreign transaction tax	-	-	-	-	-	-	-	-	-	-	-	-
Foreign deferred income tax benefit	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted diluted income per share ⁽²⁾	\$ 0.43	\$ 0.73	\$ 0.80	\$ 0.62	\$ 0.64	\$ 1.03	\$ 1.01	\$ 0.94	\$ 0.97	\$ 1.25	\$ 1.32	\$ 0.99
Weighted average dilutive common shares outstanding	23,156	23,108	22,433	22,467	22,736	22,651	22,219	22,040	22,532	22,513	22,458	23,244
Participating Securities	1,405	1,374	1,495	1,284	1,450	1,393	1,392	1,276	1,209	1,317	1,245	1,091
Total weighted average shares outstanding	24,561	24,482	23,928	23,751	24,186	24,044	23,611	23,316	23,741	23,830	23,703	24,335

⁽¹⁾ Refer to separate reconciliations of certain non-GAAP financial measures within the respective quarterly earnings release schedules for specific tax benefit or tax provision information.

⁽²⁾ We believe that these adjusted financial measures are relevant and useful to investors because they provide additional information regarding the performance of our operations and improve period-to-period comparability. These measures are not measures of financial performance under GAAP. Accordingly, they should not be considered as substitutes for their unaudited counterparts, which are prepared in accordance with GAAP. Although we find these non-GAAP results useful in evaluating the performance of our business, our reliance on these measures is limited because the adjustments often have a material impact on our financial statements calculated in accordance with GAAP. Therefore, we typically use these adjusted numbers in conjunction with our GAAP results to address these limitations.

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures
(Unaudited, in thousands)

	Three Months Ended:													
	03.31.13	06.30.13	09.30.13	12.31.13	03.31.14	06.30.14	09.30.14	12.31.14	03.31.15	06.30.15	09.30.15	12.31.15	03.31.16	06.30.16
NET INCOME (LOSS) RECONCILIATION:														
As reported	\$ 22,118	\$ 37,388	\$ 32,765	\$ 21,721	\$ 31,303	\$ 16,862	\$ 26,162	\$ 18,677	\$ 35,815	\$ 46,310	\$ 45,261	\$ (33,387)	\$ 34,291	\$ 46,580
After-tax Adjustments ⁽¹⁾ :														
Non-cash asset impairment charges	-	369	349	3,319	-	1,067	6,559	19,878	-	848	776	72,798	315	633
Mortgage debt refinancing charges	(356)	(4,785)	(230)	-	-	(316)	(8,572)	1,550	-	(601)	-	(4,357)	212	156
(Gain) loss on real estate and dealership transactions	-	-	-	-	-	20,778	17,934	-	-	-	-	-	-	-
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax benefit related to tax elections for prior periods	504	6,757	158	-	-	1,039	671	-	-	593	398	220	1,659	1,727
Catastrophic events	6,968	-	454	237	-	-	388	385	-	167	-	-	578	-
Severance costs	-	-	(630)	-	-	-	-	188	-	-	-	-	-	-
Acquisition costs including related tax impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation allowance for certain deferred tax assets	-	-	-	3,629	-	-	-	-	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	274	-	-	-	610	-	-	-	-
Foreign transaction tax	-	-	-	-	-	274	-	-	-	-	-	-	-	-
Foreign deferred income tax benefit	-	-	-	-	-	-	(3,358)	-	-	-	-	-	-	(1,686)
Adjusted net income ⁽²⁾	\$ 29,234	\$ 39,729	\$ 32,866	\$ 28,906	\$ 31,303	\$ 39,978	\$ 39,784	\$ 40,678	\$ 35,815	\$ 47,927	\$ 46,037	\$ 35,672	\$ 37,055	\$ 47,410

ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:

Adjusted net income	\$ 29,234	\$ 39,729	\$ 32,866	\$ 28,906	\$ 31,303	\$ 39,978	\$ 39,784	\$ 40,678	\$ 35,815	\$ 47,927	\$ 46,037	\$ 35,672	\$ 37,055	\$ 47,410
Less: Adjusted earnings allocated to participating securities	1,233	1,692	1,324	1,057	1,156	1,456	1,520	1,529	1,388	1,855	1,759	1,344	1,457	1,918
Adjusted net income available to diluted common shares	\$ 28,001	\$ 38,037	\$ 31,542	\$ 27,849	\$ 30,147	\$ 38,522	\$ 38,264	\$ 39,149	\$ 34,427	\$ 46,072	\$ 44,278	\$ 34,328	\$ 35,598	\$ 45,492

DILUTED EARNINGS (LOSS) PER SHARE RECONCILIATION:

	Three Months Ended:													
	03.31.13	06.30.13	09.30.13	12.31.13	03.31.14	06.30.14	09.30.14	12.31.14	03.31.15	06.30.15	09.30.15	12.31.15	03.31.16	06.30.16
As reported	\$ 0.88	\$ 1.43	\$ 1.19	\$ 0.81	\$ 1.19	\$ 0.62	\$ 1.03	\$ 0.77	\$ 1.47	\$ 1.91	\$ 1.88	\$ (1.41)	\$ 1.47	\$ 2.12
After-tax Adjustments:														
Non-cash asset impairment charges	-	0.01	0.01	0.12	-	0.04	0.26	0.81	-	0.04	0.03	3.07	0.01	0.03
Mortgage debt refinancing charges	(0.01)	(0.18)	(0.01)	-	-	(0.01)	(0.34)	0.06	-	(0.03)	-	(0.18)	0.01	0.01
(Gain) loss on real estate and dealership transactions	-	-	-	-	-	0.76	0.71	-	-	-	-	-	-	-
Income tax benefit related to tax elections for prior periods	0.02	0.26	0.01	-	-	0.04	0.03	-	-	0.02	-	0.02	0.07	0.08
Catastrophic events	-	-	0.02	0.01	-	-	0.01	0.02	-	0.01	-	0.01	-	-
Severance costs	0.27	-	(0.02)	-	-	-	-	0.01	-	-	-	-	0.03	-
Acquisition costs including related tax impact	-	-	-	0.14	-	-	-	-	-	-	-	-	-	-
Valuation allowance for certain deferred tax assets	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	0.01	-	-	-	0.03	-	-	-	-
Foreign transaction tax	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-
Foreign deferred income tax benefit	-	-	-	-	-	-	(0.13)	-	-	-	-	-	-	(0.08)
Adjusted diluted income per share ⁽²⁾	\$ 1.16	\$ 1.52	\$ 1.20	\$ 1.08	\$ 1.19	\$ 1.47	\$ 1.57	\$ 1.67	\$ 1.47	\$ 1.98	\$ 1.91	\$ 1.51	\$ 1.59	\$ 2.16

Weighted average dilutive common shares outstanding	24,113	24,980	26,342	25,792	25,428	26,242	24,432	23,466	23,446	23,315	23,137	22,718	22,453	21,070
Participating Securities	1,072	1,112	1,100	983	963	986	971	925	932	944	925	897	921	892
Total weighted average shares outstanding	25,185	26,092	27,442	26,775	26,391	27,228	25,403	24,391	24,378	24,259	24,062	23,615	23,374	21,962

⁽¹⁾ Refer to separate reconciliations of certain non-GAAP financial measures within the respective quarterly earnings release schedules for specific tax benefit or tax provision information.

⁽²⁾ We believe that these adjusted financial measures are relevant and useful to investors because they provide additional information regarding the performance of our operations and improve period-to-period comparability. These measures are not measures of financial performance under GAAP. Accordingly, they should not be considered as substitutes for their unaudited counterparts, which are prepared in accordance with GAAP. Although we find these non-GAAP results useful in evaluating the performance of our business, our reliance on these measures is limited because the adjustments often have a material impact on our financial statements calculated in accordance with GAAP. Therefore, we typically use these adjusted numbers in conjunction with our GAAP results to address these limitations.

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures - U.S.
(Unaudited)
(Dollars in thousands)

	Three Months Ended June 30,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 245,389	\$ 239,863	2.3
Pre-tax adjustments:			
Catastrophic events	(2,769)	(951)	
Gain (loss) on real estate and dealership transactions	(250)	1,052	
Legal settlements	—	(1,000)	
Adjusted SG&A ⁽¹⁾	<u>\$ 242,370</u>	<u>\$ 238,964</u>	1.4
SG&A AS % REVENUES:			
Unadjusted	11.1	10.5	
Adjusted ⁽¹⁾	11.0	10.4	
SG&A AS % GROSS PROFIT:			
Unadjusted	71.2	70.1	
Adjusted ⁽¹⁾	70.3	69.8	
OPERATING MARGIN %:			
Unadjusted	4.0	4.0	
Adjusted ^{(1),(2)}	4.1	4.1	
PRETAX MARGIN %:			
Unadjusted	2.8	3.0	
Adjusted ^{(1),(2)}	3.0	3.1	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 241,144	\$ 234,247	2.9
Pre-tax adjustments:			
Catastrophic events	(2,769)	(951)	
Gain (loss) on real estate and dealership transactions	(250)	(364)	
Legal settlements	—	(1,000)	
Adjusted Same Store SG&A ⁽¹⁾	<u>\$ 238,125</u>	<u>\$ 231,932</u>	2.7
SAME STORE SG&A AS % REVENUES:			
Unadjusted	11.1	10.5	
Adjusted ⁽¹⁾	11.0	10.4	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	71.3	70.1	
Adjusted ⁽¹⁾	70.5	69.4	
SAME STORE OPERATING MARGIN %:			
Unadjusted	3.9	4.0	
Adjusted ^{(1),(3)}	4.1	4.1	

	Six Months Ended June 30,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 491,229	\$ 469,836	4.6
Pre-tax adjustments:			
Catastrophic events	(5,423)	(951)	
Gain (loss) on real estate and dealership transactions	680	1,052	
Acquisition costs	(30)	—	
Legal settlements	—	(1,000)	
Adjusted SG&A ⁽¹⁾	\$ 486,456	\$ 468,937	3.7
SG&A AS % REVENUES:			
Unadjusted	11.5	11.0	
Adjusted ⁽¹⁾	11.3	10.9	
SG&A AS % GROSS PROFIT:			
Unadjusted	72.5	71.5	
Adjusted ⁽¹⁾	71.8	71.4	
OPERATING MARGIN %:			
Unadjusted	3.8	3.9	
Adjusted ^{(1),(2)}	4.0	3.9	
PRETAX MARGIN %:			
Unadjusted	2.6	2.9	
Adjusted ^{(1),(2)}	2.8	2.9	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 479,250	\$ 458,591	4.5
Pre-tax adjustments:			
Catastrophic events	(5,423)	(951)	
Gain (loss) on real estate and dealership transactions	(385)	(364)	
Acquisition costs	(30)	—	
Legal settlements	—	(1,000)	
Adjusted Same Store SG&A ⁽¹⁾	\$ 473,412	\$ 456,276	3.8
SAME STORE SG&A AS % REVENUES:			
Unadjusted	11.5	10.9	
Adjusted ⁽¹⁾	11.3	10.9	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	72.6	71.3	
Adjusted ⁽¹⁾	71.8	70.9	
SAME STORE OPERATING MARGIN %:			
Unadjusted	3.8	3.9	
Adjusted ^{(1),(3)}	4.0	4.0	

- (1) We have included certain non-GAAP financial measures as defined under SEC rules, which exclude certain items. These adjusted measures are not measures of financial performance under U.S. GAAP, but are instead considered non-GAAP financial performance measures. As required by SEC rules, we provide reconciliations of these adjusted measures to the most directly comparable U.S. GAAP measures. We believe that these adjusted financial measures are relevant and useful to investors because they improve the transparency of our disclosure, provide a meaningful presentation of results from our core business operations and improve period-to-period comparability of our results from our core business operations.
- (2) Excludes the impact of SG&A reconciling items above, as well as non-cash asset impairment charges of \$1,024 and \$1,534 for the three and six months ended June 30, 2016 and \$498 for the three and six months ended June 30, 2015.
- (3) Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of \$1,024 and \$1,534 for the three and six months ended June 30, 2016 and \$498 for the three and six months ended June 30, 2015.

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures - U.K.
(Unaudited)
(Dollars in thousands)

	Three Months Ended June 30,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 42,109	\$ 26,641	58.1
Pre-tax adjustments:			
Severance costs	—	(208)	
Adjusted SG&A ⁽¹⁾	\$ 42,109	\$ 26,433	59.3
SG&A AS % REVENUES:			
Unadjusted	9.0	8.6	
Adjusted ⁽¹⁾	9.0	8.6	
SG&A AS % GROSS PROFIT:			
Unadjusted	77.5	78.5	
Adjusted ⁽¹⁾	77.5	77.9	
OPERATING MARGIN %:			
Unadjusted	2.2	2.0	
Adjusted ^{(1),(2)}	2.2	2.1	
PRETAX MARGIN %:			
Unadjusted	1.7	1.6	
Adjusted ^{(1),(2)}	1.7	1.6	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 27,819	\$ 26,653	4.4
Pre-tax adjustments:			
Severance costs	—	(208)	
Adjusted Same Store SG&A ⁽¹⁾	\$ 27,819	\$ 26,445	5.2
SAME STORE SG&A AS % REVENUES:			
Unadjusted	8.8	8.6	
Adjusted ⁽¹⁾	8.8	8.6	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	75.8	78.6	
Adjusted ⁽¹⁾	75.8	78.0	
SAME STORE OPERATING MARGIN %:			
Unadjusted	2.4	2.0	
Adjusted ^{(1),(3)}	2.4	2.1	

	Six Months Ended June 30,		
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 79,545	\$ 53,403	49.0
Pre-tax adjustments:			
Severance costs	—	(208)	
Acquisition costs	(561)	—	
Adjusted SG&A ⁽¹⁾	\$ 78,984	\$ 53,195	48.5
SG&A AS % REVENUES:			
Unadjusted	8.8	8.8	
Adjusted ⁽¹⁾	8.8	8.8	
SG&A AS % GROSS PROFIT:			
Unadjusted	78.7	78.4	
Adjusted ⁽¹⁾	78.1	78.1	
OPERATING MARGIN %:			
Unadjusted	2.0	2.1	
Adjusted ^{(1),(2)}	2.1	2.1	
PRETAX MARGIN %:			
Unadjusted	1.5	1.6	
Adjusted ^{(1),(2)}	1.6	1.7	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 55,280	\$ 53,416	3.5
Pre-tax adjustments:			
Severance costs	—	(208)	
Acquisition costs	(561)	—	
Adjusted Same Store SG&A ⁽¹⁾	\$ 54,719	\$ 53,208	2.8
SAME STORE SG&A AS % REVENUES:			
Unadjusted	8.7	8.8	
Adjusted ⁽¹⁾	8.6	8.8	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	76.0	78.5	
Adjusted ⁽¹⁾	75.2	78.2	
SAME STORE OPERATING MARGIN %:			
Unadjusted	2.4	2.1	
Adjusted ^{(1),(3)}	2.5	2.1	

(1) We have included certain non-GAAP financial measures as defined under SEC rules, which exclude certain items. These adjusted measures are not measures of financial performance under U.S. GAAP, but are instead considered non-GAAP financial performance measures. As required by SEC rules, we provide reconciliations of these adjusted measures to the most directly comparable U.S. GAAP measures. We believe that these adjusted financial measures are relevant and useful to investors because they improve the transparency of our disclosure, provide a meaningful presentation of results from our core business operations and improve period-to-period comparability of our results from our core business operations.

(2) Excludes the impact of SG&A reconciling items above.

(3) Excludes the impact of Same Store SG&A reconciling items above.

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures - Brazil
(Unaudited)
(Dollars in thousands)

	Three Months Ended June 30,		
	2016	2015	% Increase/ (Decrease)
OPERATING MARGIN %			
Unadjusted	(0.6)	0.3	
Adjusted ^{(1),(2)}	(0.6)	0.7	
PRETAX MARGIN %:			
Unadjusted	(0.6)	(0.4)	
Adjusted ^{(1),(2)}	(0.6)	—	
Six Months Ended June 30,			
	2016	2015	% Increase/ (Decrease)
SG&A RECONCILIATION:			
As reported	\$ 21,913	\$ 28,798	(23.9)
Pre-tax adjustments:			
Gain (loss) on real estate and dealership transactions	(371)	—	
Adjusted SG&A ⁽¹⁾	\$ 21,542	\$ 28,798	(25.2)
SG&A AS % REVENUES:			
Unadjusted	10.8	10.8	
Adjusted ⁽¹⁾	10.7	10.8	
SG&A AS % GROSS PROFIT:			
Unadjusted	105.2	93.8	
Adjusted ⁽¹⁾	103.4	93.8	
OPERATING MARGIN %:			
Unadjusted	(1.0)	0.1	
Adjusted ^{(1),(3)}	(0.6)	0.3	
PRETAX MARGIN %:			
Unadjusted	(1.1)	(0.5)	
Adjusted ^{(1),(3)}	(0.7)	(0.3)	
SAME STORE OPERATING MARGIN %:			
Unadjusted	(0.2)	1.4	
Adjusted ^{(1),(4)}	—	1.4	

- (1) We have included certain non-GAAP financial measures as defined under SEC rules, which exclude certain items. These adjusted measures are not measures of financial performance under U.S. GAAP, but are instead considered non-GAAP financial performance measures. As required by SEC rules, we provide reconciliations of these adjusted measures to the most directly comparable U.S. GAAP measures. We believe that these adjusted financial measures are relevant and useful to investors because they improve the transparency of our disclosure, provide a meaningful presentation of results from our core business operations and improve period-to-period comparability of our results from our core business operations.
- (2) Excludes the impact of non-cash asset impairment charges of \$423 for the six months ended June 30, 2016 and \$541 for the three and six months ended June 30, 2015.
- (3) Excludes the impact of SG&A reconciling items above, as well as non-cash asset impairment charges of \$423 for the six months ended June 30, 2016 and \$541 for the three and six months ended June 30, 2015.
- (4) Excludes the impact of Same Store non-cash asset impairment charges of \$423 for the six months ended June 30, 2016.

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures - Consolidated
(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months Ended June 30,		
	2016	2015	% Increase/ (Decrease)
NET INCOME RECONCILIATION:			
As reported	\$ 46,580	\$ 46,310	0.6
Adjustments:			
Catastrophic events			
Pre-tax	2,769	951	
Tax impact	(1,042)	(359)	
(Gain) loss on real estate and dealership transactions			
Pre-tax	250	(1,052)	
Tax impact	(94)	452	
Severance costs			
Pre-tax	—	208	
Tax impact	—	(41)	
Legal settlements			
Pre-tax	—	1,000	
Tax impact	—	(390)	
Non-cash asset impairment			
Pre-tax	1,024	1,039	
Tax impact	(391)	(191)	
Foreign deferred income tax benefit			
Tax impact	(1,686)	\$ —	
Adjusted net income ⁽¹⁾	\$ 47,410	\$ 47,927	(1.1)
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:			
Adjusted net income ⁽¹⁾	\$ 47,410	\$ 47,927	(1.1)
Less: Adjusted earnings allocated to participating securities	1,918	1,855	3.4
Adjusted net income available to diluted common shares ⁽¹⁾	\$ 45,492	\$ 46,072	(1.3)
DILUTED INCOME PER COMMON SHARE RECONCILIATION:			
As reported	\$ 2.12	\$ 1.91	11.0
After-tax adjustments:			
Catastrophic events	0.08	0.02	
Gain (loss) on real estate and dealership transactions	0.01	(0.03)	
Severance costs	—	0.01	
Legal settlements	—	0.03	
Non-cash asset impairment	0.03	0.04	
Foreign deferred income tax benefit	(0.08)	—	
Adjusted diluted income per share ⁽¹⁾	\$ 2.16	\$ 1.98	9.1
SG&A RECONCILIATION:			
As reported	\$ 299,022	\$ 280,567	6.6
Pre-tax adjustments:			
Catastrophic events	(2,769)	(951)	
Gain (loss) on real estate and dealership transactions	(250)	1,052	

Severance costs	—	(208)	
Legal settlements	—	(1,000)	
Adjusted SG&A ⁽¹⁾	\$ 296,003	\$ 279,460	5.9
SG&A AS % REVENUES:			
Unadjusted	10.7	10.3	
Adjusted ⁽¹⁾	10.6	10.2	
SG&A AS % GROSS PROFIT:			
Unadjusted	72.9	71.7	
Adjusted ⁽¹⁾	72.2	71.4	
OPERATING MARGIN %:			
Unadjusted	3.5	3.6	
Adjusted ^{(1),(2)}	3.6	3.7	
PRETAX MARGIN %:			
Unadjusted	2.5	2.7	
Adjusted ^{(1),(2)}	2.6	2.8	
SAME STORE SG&A RECONCILIATION:			
As reported	\$ 279,082	\$ 272,567	2.4
Pre-tax adjustments:			
Catastrophic events	(2,769)	(951)	
Loss on real estate and dealership transactions	(250)	(364)	
Severance costs	—	(208)	
Legal settlements	—	(1,000)	
Adjusted Same Store SG&A ⁽¹⁾	\$ 276,063	\$ 270,044	2.2
SAME STORE SG&A AS % REVENUES:			
Unadjusted	10.8	10.2	
Adjusted ⁽¹⁾	10.7	10.1	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	72.4	71.3	
Adjusted ⁽¹⁾	71.6	70.7	
SAME STORE OPERATING MARGIN %:			
Unadjusted	3.6	3.7	
Adjusted ^{(1),(3)}	3.8	3.8	

	Six Months Ended June 30,		
	2016	2015	% Increase/ (Decrease)
NET INCOME RECONCILIATION:			
As reported	\$ 80,871	\$ 82,124	(1.5)
Adjustments:			
Catastrophic events			
Pre-tax	5,423	951	
Tax impact	(2,038)	(359)	
(Gain) loss on real estate and dealership transactions			
Pre-tax	113	(1,052)	
Tax impact	255	452	
Severance costs			
Pre-tax	—	208	
Tax impact	—	(41)	
Acquisition costs			
Pre-tax	591	—	
Tax impact	(11)	—	
Legal settlements			
Pre-tax	—	1,000	
Tax impact	—	(390)	
Non-cash asset impairment			
Pre-tax	1,533	1,039	
Tax impact	(586)	(191)	
Foreign deferred income tax benefit			
Tax impact	(1,686)	\$ —	
Adjusted net income ⁽¹⁾	<u>\$ 84,465</u>	<u>\$ 83,741</u>	0.9
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:			
Adjusted net income ⁽¹⁾	\$ 84,465	\$ 83,741	0.9
Less: Adjusted earnings allocated to participating securities	3,367	3,238	4.0
Adjusted net income available to diluted common shares ⁽¹⁾	<u>\$ 81,098</u>	<u>\$ 80,503</u>	0.7
DILUTED INCOME PER COMMON SHARE RECONCILIATION:			
As reported	\$ 3.57	\$ 3.38	5.6
After-tax adjustments:			
Catastrophic events	0.15	0.02	
Gain (loss) on real estate and dealership transactions	0.02	(0.02)	
Severance costs	—	0.01	
Acquisition costs	0.02	—	
Legal settlements	—	0.02	
Non-cash asset impairment	0.04	0.03	
Foreign deferred income tax benefit	(0.07)	—	
Adjusted diluted income per share ⁽¹⁾	<u>\$ 3.73</u>	<u>\$ 3.44</u>	8.4
SG&A RECONCILIATION:			
As reported	\$ 592,687	\$ 552,037	7.4
Pre-tax adjustments:			
Catastrophic events	(5,423)	(951)	
Gain (loss) on real estate and dealership transactions	310	1,052	
Severance costs	—	(208)	
Acquisition costs	(591)	—	

Legal settlements		—	(1,000)	
Adjusted SG&A ⁽¹⁾	\$	586,983	\$	550,930
				6.5
SG&A AS % REVENUES:				
Unadjusted		11.0		10.7
Adjusted ⁽¹⁾		10.9		10.7
SG&A AS % GROSS PROFIT:				
Unadjusted		74.2		73.1
Adjusted ⁽¹⁾		73.4		72.9
OPERATING MARGIN %:				
Unadjusted		3.3		3.5
Adjusted ^{(1),(2)}		3.5		3.5
PRETAX MARGIN %:				
Unadjusted		2.3		2.5
Adjusted ^{(1),(2)}		2.4		2.6
SAME STORE SG&A RECONCILIATION:				
As reported	\$	554,409	\$	536,450
				3.3
Pre-tax adjustments:				
Catastrophic events		(5,423)		(951)
Gain (loss) on real estate and dealership transactions		(385)		(364)
Severance costs		—		(208)
Acquisition costs		(591)		—
Legal settlements		—		(1,000)
Adjusted Same Store SG&A ⁽¹⁾	\$	548,010	\$	533,927
				2.6
SAME STORE SG&A AS % REVENUES:				
Unadjusted		11.1		10.6
Adjusted ⁽¹⁾		10.9		10.6
SAME STORE SG&A AS % GROSS PROFIT:				
Unadjusted		73.6		72.5
Adjusted ⁽¹⁾		72.8		72.1
SAME STORE OPERATING MARGIN %:				
Unadjusted		3.5		3.6
Adjusted ^{(1),(3)}		3.6		3.6

(1) We have included certain non-GAAP financial measures as defined under SEC rules, which exclude certain items. These adjusted measures are not measures of financial performance under U.S. GAAP, but are instead considered non-GAAP financial performance measures. As required by SEC rules, we provide reconciliations of these adjusted measures to the most directly comparable U.S. GAAP measures. We believe that these adjusted financial measures are relevant and useful to investors because they improve the transparency of our disclosure, provide a meaningful presentation of results from our core business operations and improve period-to-period comparability of our results from our core business operations.

(2) Excludes the impact of SG&A reconciling items above, as well as non-cash asset impairment charges for all periods.

(3) Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of \$1,024 and \$1,956 for the three and six months ended June 30, 2016 and \$498 for the three and six months ended June 30, 2015.

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